

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:)
DAVID CINCOTTA) Examiner: N. Nguyen
Application No.: NYA) Group Art Unit: 2764
Division of S.N. 09/245,493)
filed February 5, 1999)
Filed: Concurrently Herewith)
For: SYSTEM AND METHOD FOR)
PREPAYING FOR SERVICES)
OR GOODS TO BE CONSUMED)
AT A FUTURE DATE) April 18, 2001

Commissioner for Patents
BOX PATENT APPLICATION
Washington, D.C. 20231

**PRELIMINARY AMENDMENT AND
INFORMATION DISCLOSURE STATEMENT**

Sir:

Prior to calculation of the filing fee and to
examination on the merits, please amend the above-identified
application as follows:

IN THE SPECIFICATION

At page 1, immediately after the title, insert
--This application is a division of Application No.
09/245,493, filed on February 5, 1999--.

IN THE CLAIMS:

Please cancel Claims 1-5, without prejudice or disclaimer of the subject matter.

Please add Claims 6-24 as follows:

--6. (New) A method, to be administered by an administrating entity, for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, the method comprising the steps of:

executing contracts between the administrating entity and each of the plurality of participants in which a contracting participant pays to the administrating entity a cash amount and in return receives from the administrating entity a promise to deliver at a future date a specified measure of educational services, the educational services to be provided by whichever of the plurality of specified educational institutions the contracting participant selects;

determining, for each of the plurality of specified educational institutions, a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants; and

executing contracts between the administrating entity and each of the plurality of specified educational institutions in which the administrating entity pays to a contracting educational institution a cash amount and in return receives from the contracting educational institution a promise to deliver a specified measure of educational services, the cash amounts that correspond to the measures of educational services being set by the educational institution.

7. (New) The method of claim 6, wherein the participants designate beneficiaries to whom the educational services will be provided.

8. (New) The method of claim 7, wherein a beneficiary is designated by a participant at the time a contract between that participant and the administrating entity is executed.

9. (New) The method of claim 6, wherein the contracts between the administrating entity and the participants comprise participant option contracts and the contracts between the educational institutions and the administrating entity comprise institution option contracts.

10. (New) The method of claim 6, wherein the contracts between the administering entity and the participants comprise participant option contracts and the contracts between the educational institutions and the administering entity comprise institution forward contracts.

11. (New) The method of claim 6, wherein the contracts between the administering entity and the participants comprise participant forward contracts and the contracts between the educational institutions and the administering entity comprise institution option contracts.

12. (New) The method of claim 6, wherein the contracts between the administering entity and the participants comprise participant forward contracts and the contracts between the educational institutions and the administering entity comprise institution forward contracts.

13. (New) The method of claim 9, wherein the participant option contracts are deep-in-the-money option contracts.

14. (New) The method of claim 10, wherein the participant option contracts are deep-in-the-money option contracts.

15. (New) The method according to claim 7, wherein the determination process for each of the plurality of specified educational institutions comprises:

examining an educational institution data record;

examining a participant data record for each of the plurality of participants;

comparing the educational institution data record with each participant data record to determine a predicted total measure of education that each participant will require from the particular educational institution; and

summing the predicted total measure of education that each participant will require from the particular educational institution to determine for each of the plurality of specified educational institutions a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants.

16. (New) The method of claim 15, wherein said educational institution data records include statistical information describing the historical makeup of the particular educational institution's student body.

17. (New) The method of claim 16, wherein said statistical information includes information describing academic performance prior to admission.

18. (New) The method of claim 16, wherein said statistical information includes information describing scholastic aptitude test scores.

19. (New) The method of claim 16, wherein said statistical information includes information describing geographic origin of students.

20. (New) The method of claim 15, wherein said participant data records include data describing the compounding beneficiaries geographic locale.

21. (New) The method of claim 15, wherein said participant data records include data describing the compounding beneficiaries academic performance.

22. (New) The method of claim 15, wherein said participant data records include data describing the compounding beneficiaries scholastic aptitude test scores.

23. (New) The method of claim 15, wherein said participant data records include data describing the measure of educational services that has been promised by the administering entity to the particular participant.

24. (New) A machine-readable data storage medium

encoded with a set of machine-executable instructions for carrying out, with a machine capable of executing said instructions, a data processing method for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, the method comprising the steps of:

executing contracts between the administrating entity and each of the plurality of participants in which a contracting participant pays to the administrating entity a cash amount and in return receives from the administrating entity a promise to deliver at a future date a specified measure of educational services, the educational services to be provided by whichever of the plurality of specified educational institutions the contracting participant selects;

determining, for each of the plurality of specified educational institutions, a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants; and

executing contracts between the administrating entity and each of the plurality of specified providers in which the administrating entity pays to a contracting educational institution a cash amount and in return receives from the contracting educational institution a promise to deliver a specified measure of educational services, the cash amounts that correspond to the measures of educational services being set by

the educational institution.--

REMARKS

The present application is a division of copending parent application Serial No. 09/245,493 filed on February 5, 1999. Claims 1-5 have been cancelled, without prejudice or disclaimer of the subject matter. New Claims 6-24 have been added. Claims 6 and 24 are the independent claims.

New claims 6-24 correspond to claims 6-23 and 25, which were pending in and cancelled from the parent application Serial No. 09/245,493. And Office Action dated November 9, 2000, in that parent application rejected those claims under 35 U.S.C. §103 as obvious from U.S. Patent No. 5,794,207 to Walker et al. in view of U.S. Patent No. 6,134,534 to Walker et al. and U.S. Patent No. 5,809,484 to Mottola et al.^{1/} Those rejections will now be addressed.

As a threshold matter, the applicant notes that the publication date of Walker '207 is August 11, 1998, less than six months before the priority date of the present application; and that the publication date of Walker '534 is October 17, 2000, some twenty months after the priority date of the present

^{1/} Although the Office Action does not state explicitly in the first sentence of numbered paragraph 8 that the Section 103(a) rejection of claims 6-23 and 25 is based upon Walker '534, the applicant notes that the Office Action relies on Walker '534 (e.g., at p. 6) in setting forth its reasons for rejection. Accordingly, the applicant will address the rejection as though it were based upon the combination of Walker '207, Walker '534 and Mottola.

application. The Walker patents, therefore, are not prior art to the present application under 35 U.S.C. § 102(b). Accordingly, while the applicant will address the rejections based upon the Walker patents by addressing those documents on the merits, this is in no way to be construed as an admission that the Walker patents are in fact prior art.

As recited in the independent claims, the present invention relates to a system or method for allowing plural participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions. In the present invention, contracts are executed between an administering entity and each of the participants, in which the participant pays a cash amount to the administering entity and in return receives a promise to deliver at a future date a specified measure of educational services, to be provided by whichever of the educational institutions the participant selects. For each of the educational institutions, a predicted total measure of educational services that will be required from the aggregate of the participants is determined. Then, contracts are executed between the administering entity and each of the plurality of specified educational institutions, in which the administering entity pays a cash amount to the educational institution, and in return receives a promise to deliver a specified measure of services or goods.

In accordance with each of the pending claims, the cash amounts that correspond to the measures of services or goods

are set by the providers. That is to say, the providers set the prices.

To illustrate an example, and without limiting the broad applicability of the claims, the present invention may be used to implement a pre-paid college tuition program. In such a system, parents (participants, in the parlance of the claim) prepay tuition for college education (an educational service, in the parlance of the claim), to be received when their child reaches college age (a later date, in the parlance of the claim) from any one of several colleges (a plurality of specified educational institutions, in the parlance of the claim). Contracts are executed between an administrating entity and each of the parents, in which the parents make a tuition prepayment, and receive a promise to deliver in the future a specified measure of educational services (such as, for example, a year of schooling) from whichever of the specified colleges the parent selects. For each college, a predicted total measure of schooling that will be required from the aggregate of the parents in the program is determined. Then, contracts are executed between the administrating entity and each of the colleges, in which the administrating entity pays a cash amount to the college, and in return receives a promise to deliver a specified measure of schooling.

For each college, the cash amount that corresponds to the specified measure of schooling is set by the college. These may be the same from school to school, or may be different. For

example, it is quite possible that College A would set a price of \$10,000 for one year of schooling; College B a price of \$15,000 for one year of schooling; College C a price of \$20,000 for one year of schooling; and College D, like College B, a price of \$15,000 for one year of schooling. Invariably, however, it is the college that sets the price.

Both Walker '207 and Walker '534, in stark contrast, relate to buyer-driven systems, in which buyers, and not sellers, set the prices. Indeed, the commercial embodiment of the Walker patents is the well-known Web site of Priceline.com, which in its advertisements invites buyers to "Name Your Own Price."

The Walker patents are eminently clear on this point. For example, Walker '207 states that:

it is one object of the present invention to set forth a system of bilateral buyer-driven electronic commerce that offers the capability for individual buyers to issue authenticatable messages which contain the terms of a purchase offer and publish that purchase offer globally to potential sellers.

(Walker '207 at col. 7:30-35)(emphasis added). Similarly, Walker '534 states:

A further need exists for a buyer-driven system that permits a cruise operator to sell tickets to leisure travelers at a price set by the customer.

(Walker '534 at 2:46-48).

More specifically, the Walker patents relate to a method of effecting a so-called "reverse auction," that allows a buyer interested in good or service to specify the price that he

or she is willing to pay. The Walker system is implemented by inputting into a computer a conditional purchase offer (CPO), stating the price the buyer is willing to pay and the specifics of the goods or services desired. A payment identifier is also input to the computer. The computer then outputs the CPO to a plurality of sellers. Any seller willing to accept the CPO then notifies the computer, which in turn provides the payment identifier to the seller so that the transaction can be finalized.

In the Walker system (as described in both Walker '207 and '534), therefore, only a buyer, and never a seller, sets the price. This is completely different than the system of the present invention, in which only sellers (i.e., providers), and never buyers (i.e., participants), set the prices. In view of these fundamental differences, neither of the Walker references, taken either alone or together, can anticipate or render obvious any of the present pending independent claims.

Mottola relates to a program in which the tuition of students accepted into the program is paid for by funds invested by investors, in return for an agreement by the students to assign a percentage of their future income for a limited time period to the plan. This system, however, is merely a replacement for traditional student loan plans, such as the Stafford Loan program, the Perkins Loan program, and the Supplemental Loan program, and requires a student, after graduation, to pay back money that was provided. Mottola,

therefore, does not correct the deficiencies of the Walker documents.

The remaining claims also recite all the features of the independent claims discussed above, and are believed to be patentable for the same reasons. In addition, these claims recite additional patentable features of the present invention, and individual consideration of each is respectfully requested.

INFORMATION DISCLOSURE STATEMENT

Pursuant to 37 C.F.R. § 1.56, Applicant respectfully directs the Examiner's attention to the documents listed on the enclosed Form PTO-1449.

The information listed on the enclosed Form PTO-1449 were cited in the parent Application No. 09/245,493, and might be deemed pertinent for the reasons given there. The Examiner is respectfully directed to the U.S. Patent and Trademark Office files for review of those documents. See 37 C.F.R. § 1.98(d) and MPEP § 609. Additionally, the Examiner is requested to indicate that this information has been considered by initialing the appropriate portion of the enclosed Form PTO-1449.

CONCLUSION

In view of the foregoing remarks, an early and favorable examination on the merits is respectfully requested.

The applicant's undersigned attorney may be reached in our New York office by telephone at (212) 218-2100. All correspondence should be directed to our address given below.

Respectfully submitted,


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